A Strategic Plan for the Sustainable Economic Development of the City of Asheville, North Carolina

An Executive Summary

Introduction

The purpose of this strategic plan is to set forth the strategic goals and strategies for the economic development of the City of Asheville. The intended result from this strategic planning effort is a more inclusive strategy to move the community forward to become a better place in which to live, work, and play. The plan will help facilitate a road map for an economic development effort, telling us where we are, where we want to go, and how to get there.

This Executive Summary of the plan highlights the key findings and conclusions of the planning process recently concluded by local leadership. This plan represents hours of input from dedicated public and private sector leaders. The goals and strategies are the first steps in the "path forward" that can take Asheville successfully into the 21st Century.

The Situation Audit

Before a community can decide where it wants to go or who it wants to be, it must first know who it is. The "personality," or character, of a city is complex. It is comprised of the sum total of its citizens, its businesses and

industries, its perception by visitors, its leadership, its political structure, and so forth.

The assessment of "who" Asheville is can be determined in a number of ways. For the purposes of this strategic plan, a survey was conducted of the citizens of the city and of the leadership. Additionally, Lockwood Greene Consulting (LGC) provided an outside business perspective.

Combined Results from the Citizen and Leadership Surveys

Top Strengths of the City (not necessarily in order of importance)

- Availability of adequate health care
- Level of cultural/recreational activity and facilities
- Quality of the climate and attractiveness of the physical environment
- Quality of telephone service
- Public safety (law enforcement)
- Impact of the tourism industry on the City
- Availability of adequate lodging facilities and quality restaurants
- Adequacy of retail shopping
- Availability of the community college and adult continuing education
- Presence of major highways serving the City
- Downtown Asheville

❑ Programs for senior citizens

Top Weaknesses of the City (not necessarily in order of importance)

❑ Availability of housing for low income families

❑ Cleanliness of the community

❑ State and local permitting and regulation process for business

❑ Availability of fully served and suitable industrial sites and buildings

❑ Cost of housing

❑ Cost of water and sewer service

❑ Adequacy of local streets and local traffic problems

❑ Availability of quality jobs

❑ Adequacy of local environmental protection

❑ Adequacy of local newspaper for promotion of the City's business activity

❑ Level of wages and salaries paid locally

❑ Inadequate water and sewer service

❑ Limited commercial air service

❑ Level of local taxes

❑ Quality of local education

Community Assessment by Lockwood Greene Consulting

The "objective" assessment of the city by LGC was conducted primarily from the perspective of a business investor. An analysis was made of relevant data and interviews were conducted with local employers, local officials, and other key sources of information. This assessment resulted in the following locational strengths and weaknesses, particularly with respect to business investment and job creation.

Locational Advantages of Asheville

- Quality of life
- Health care
- Availability of community college/technical training
- Highway transportation/access
- Small business development and entrepreneurial spirit
- Vibrant downtown
- Development of the French Broad and Swannanoa rivers
- Low labor cost
- Education/schools (K-12)
- Tourism's economic impact
- Telecommunications infrastructure
- Higher education resources

Locational Disadvantages of Asheville

❏ Lack of industrial sites, office space, and cost of real estate

❏ Housing availability and general cost of living

❏ City relations with business and industry

❏ Lack of graduate education and university research in the science and engineering disciplines

The LGC assessment includes some of the same strengths and weaknesses from the citizen and leadership surveys, but also identifies a need to enhance and expand the technical, science, and research programs available in the local education institutions.

A study was also conducted by LGC of the industrial site situation in the City of Asheville. Key findings were:

❏ Asheville and Buncombe County have the smallest total inventory and most limited mix of developed industrial sites and parks of all the metropolitan areas that Lockwood Greene has examined in recent years.

❏ Speculative industrial buildings are needed to provide critical space to industrial prospects.

❏ Additional land should be acquired by either local government or by the private sector to support future development needs.

Leadership Workshop

Because an issue is listed as an agreed upon strength (an opportunity to build on) or weakness (a problem to be solved), does not necessarily mean that it is a "priority" concern of the community. In strategic planning, only the <u>key</u> issues are addressed so that limited resources can be more effectively allocated. A leadership workshop was held to obtain input from local leaders regarding their perception of the key development problems in the community. One of the results of this workshop was an articulation of the key priority problems facing Asheville:

Community's Economic Development Priorities (in order of importance)
1. Shortage of diverse and affordable housing within the City, including rental units.
2. Lack of developable sites.
3. Tight labor supply with a shortage of skilled workers.
4. Lack of local agreement on the type of business and industry the City should try to attract.
5. The water supply is inadequate and high cost.
6. Lack of prestigious research institutions and technical graduate programs.
7. Problems with the planning, zoning, and permitting processes.
8. Lack of cooperation between city and county government.
9. Need to revitalize the riverfront.

10. High underemployment.

11. Lack of available buildings for manufacturing and distribution.

12. City's economic development role needs to be more clearly defined.

In a discussion following the prioritization of these issues, it was decided in the workshop that the issue of housing was already being addressed by a housing task force and did not need to be dealt with in this economic development context. The lack of developable sites and the lack of available buildings were combined into a real estate issue. The tight labor supply with a shortage of skilled workers, the high underemployment, and the lack of prestigious research institutions and technical graduate programs was combined into a workforce/education issue. The issues with planning, zoning, and permitting were covered under the "development process" issue. The revitalization of the riverfront became its own issue. It was determined by the group that the issues of lack of cooperation between city and county government and of water supply were currently being handled and didn't need to be addressed in this plan. Finally, the role of the City in economic development and the specific types of industries to target were addressed by LGC as part of its consulting input to the City.

The result of this process was the setting up of the following four Strategic
Action Teams:

- · Development Process Team

- · Real Estate Team

- · Workforce/Education Team

- · Riverfront Team

Target Industries for Asheville

The future economy of Asheville is not likely to resemble its past. The job
and income generation of the national economy is and will be coming
from "knowledge-based" industries. The attraction and expansion of
these industries will differ dramatically from the traditional promotional
efforts of the past. The emphasis will be on the application of innovative
technology, the presence of skilled workers, and an advanced
telecommunications infrastructure.

The Leadership Workshop identified a "wish list" of target industries for
the City of Asheville. The highest priority of these were geared more to
information and service than to manufactured product. LGC also

identified a list of target industries for the City to pursue, based on the locational strengths and weaknesses of the community and on the operational requirements of firms in these industries. A merging of both lists, representing the desires of the community and economic realities as assessed by LGC, was compiled through careful analysis. All of the identified targets are knowledge-based industries as opposed to manufacturing and distribution, which is appropriate given that the City has limited manufacturing sites. A detailed report on these industries is attached to the full strategic plan.

- Medical services (medical cluster as well as wellness and alternative medicine)
- Software development
- Environmental technology
- Internet related activity
- Corporate back offices and call centers (higher wage operations)
- Film making

Tourism and arts and crafts were also identified as targets for Asheville. The current economic impact of tourism on the area is enormous. The arts and crafts industry contributes to the tourist base as well as improves the cultural offerings in the area. Handmade in American has laid the foundation for this, and the City should promote the growing artist community.

Certain manufacturing sectors are also appropriate targets for the City. However, the City of Asheville needs to dramatically expand its inventory of sites ("product") before it can successfully compete for manufacturing operations. Some of the sites available may be adequate for small-scale operations, but overall, the site inventory precludes much activity for now. The following industries were identified as specific manufacturing targets at the Leadership Workshop, and LGC concurs that they have potential for the community:

❑ Electronic equipment
❑ Industrial machinery and equipment
❑ Fabricated metal

In addition, the automotive parts industry appears to have considerable potential for this area, once the site situation is improved.

The Vision Statement

What motivates local leadership and the citizenry to get actively involved in programs to improve their community? Generally, it is a sense of pride in the community -- a belief that conditions could and should improve through both individual and joint effort. This motivation comes from a

"shared vision" of the potential of the community. Without vision, leadership tends to be ineffective and residents lack any sense of pride in where they live.

A shared vision for a community such as Asheville is an ideal and unique image of the future. It incorporates a view of a future condition that would be better, in some important ways, than what now exists. It is a dream rooted in reality. The development of a clearly articulated vision provides the concepts necessary to enable people to see the changes that must be made if their dream is to become a reality. Developing a clear vision involves a belief that people can influence their community's destiny by what they do now and into the future.

The leadership of Asheville has developed such a vision. In 1995, 160 citizens from across the community gathered to develop a shared vision of what they want Asheville and Buncombe County to become. The following is the vision statement from Asheville-Buncombe Vision, Inc.:

> *Asheville and Buncombe County will have a top-notch education system that inspires children and adults to become productive citizens, and to realize their maximum potential. There will be a reduction in the poverty level by one half of the 1990 level, particularly in households with children. We envision a balanced, inclusive community that nurtures our children, respects cultural diversity and protects our natural beauty and resources.*

Our community will have a sustainable and diversified economy that creates prosperity and opportunity for everyone in our county. Average job earnings will increase at a greater rate than the North Carolina average, and job opportunities will be provided to allow young people to stay in, or come to, Buncombe County to live and work. The community will have the necessary infrastructure to support economic and residential development.

The responsive private sector leadership of the community will empower our citizens and encourage the leadership potential of our young people. Our government will encourage participation, listen to the individual, identify the common good, and then act effectively.

This vision reflects the priorities emanating from the leadership workshop. From an economic development standpoint, the community desires a "sustainable" and "diversified" economy that will lead to improved local incomes. The knowledge-based target industries identified certainly can provide greater diversity, higher incomes, and sustainability.

The Mission of the Strategic Plan

The **Vision** sets the direction for the community and its organizations. The **Mission Statement** clarifies the purpose of the strategic planning process for the City. It demonstrates the key values inherent in the people of the community and their leaders. The following mission statement reflects the

priorities articulated in a work session of the Strategic Planning Steering Committee.

Mission Statement for the City of Asheville's Sustainable Economic Development Strategic Plan:

The City of Asheville strategic plan will provide a basis for actions designed to stimulate a sustainable, diversified, and vibrant economy while preserving the values inherent in the community.

Core values to be reflected include a commitment to quality, broad-based citizen involvement, and a preservation of the character of the city. This ongoing process should focus on economic development issues and opportunities prioritized by the community.

The result will be an improved local business climate that fosters private business investment leading to an increased tax base and a sustained improvement in the standard of living and quality of life for all residents.

The Strategic Action Plan

As part of the strategic planning process, a citizen-led Task Force was appointed by the City Council to move the planning from vision and

development priorities into achievable goals and strategic actions. From its membership, this Task Force set up the four Strategic Action Teams previously listed to address the priority issues. Other local leaders with interest and/or expertise in the key economic development issues became participants in these Teams.

Over the course of four months in the latter half of 1999, the Strategic Action Teams met to devise appropriate goals and strategies to achieve them. This process used a problem-solving approach to clarify the identified problems, determine their causes, and devise strategies to remove or remedy these causes. The goals and strategic actions that follow constitute the heart of the strategic plan.

Development Process Team

Goal 1:   Asheville's *urban planning, zoning, and permitting processes*, as created and administered by the City, facilitate sustained and positive development.

     ❑ The City's Planning & Building Safety Departments will streamline the process by eliminating and combining steps.

     ❑ The City's Planning & Building Safety Departments will advocate changes in the UDO, such as reformatting

content and presentation of the publication and adding flexibility. A mission statement, guiding principles, and goals will be adopted.

❑ The planning staff and planning commissions will adopt a "common sense" culture.

❑ The City's Planning & Building Safety Departments will restructure some processes to provide for communication among parties earlier in the process.

❑ The City's Planning & Building Safety Departments will eliminate conflicts between ordinances, standards, and codes**.**

❑ The City's Planning & Building Safety Departments will improve permit coordination with "outside agencies," such as the County and State.

❑ The City's Planning & Building Safety Departments will create more effective education/informational tools (checklists, guides, etc.).

❑ The City's Planning & Building Safety Departments will strengthen communication between the City and the private sector through such means as Development Forums.

❑ The City's Planning & Building Safety Departments will use the latest and most appropriate computer technology, where practical, to improve the development process for both local government and business.

❑ The City's Planning Department will encourage higher densities and mixed uses within the City via performance based standards and ordinances.

Note: Strategic actions 1 through 10, as initially developed by the Development Process Team, would be presented to the City Council as part of this strategic plan to be acted on as policies for the City's Planning & Building Safety Departments.

❑ The Action Team will meet at regular intervals (3 months and 6 months) for updates as well as for input regarding specific proposals for changes, improvements, etc., to processes, standards, ordinances, etc..

❑ The City's various Commissions involved in planning, zoning, and development should be restructured to more closely resemble a "Technical Review Committee" structure.

Real Estate Team

Goal 2:   The *availability of suitable sites* within the City will meet its business needs into the future.

- ❑ Current zoning ordinances should be strengthened to preserve and maintain selected existing areas of the City that currently allow for manufacturing uses.

- ❑ The City's Economic Development Division and Planning Department should select key sites within the City that are suitable for development or redevelopment as manufacturing sites. These sites should be zoned exclusively for that purpose.

- ❑ The City should work cooperatively with Buncombe County and adjoining communities and counties to initiate a regional approach to the development of major industrial parks that would benefit all the government entities and their residents.

- ❑ The City should explore the feasibility of annexing adjoining or nearby land that has the potential for manufacturing sites.

- City zoning should be changed to permit appropriate light assembly and high tech manufacturing uses in selected office areas and commercial areas.

- The City should assist in the development of a business incubator to further encourage small business development and entrepreneurism.

- The Economic Development Division of the City will target and develop the local environment ("product development") for stimulating specialized industries that meet the unique locational characteristics of Asheville.

Sustainable Development

Goal 3:   The City's future development will *balance economic objectives, social goals, and its natural resources* to the benefit of present and future generations.

□ The City should reserve industrial land for manufacturing use (see the first strategic action of Goal 2).

□ The City's Planning Department should plan for a sustainable land use pattern. This approach would preserve quality neighborhoods, reserve areas for businesses and industries, create a viable downtown, develop connecting transportation corridors, build greenways, and protect environmentally sensitive areas.

□ The City should explore the "urban villages" concept that incorporates the principles of higher densities and mixed use as a way of redeveloping the community for sustained development.

□ A public education process should be instituted that would create a higher awareness of the need for and value of sustainable development in the City's land use pattern.

□ The appropriate City Departments and/or other agencies in the community should identify and prioritize the infrastructure needs and costs to support projects under Goals 2 and 3.

Workforce-Education Team

Goal 4: The institutions of *higher education and training* in the Asheville area will meet the skill needs of the businesses and industries in the community.

□ Improve private sector knowledge about programs available at local institutions by linking these institutions to Web pages in the area; and, through the collaboration of these institutions to centralize information and materials in an accessible physical location. These materials should describe academic and training programs, special interests, research opportunities, grant writing opportunities, student/faculty skills inventory, etc.

□ Conduct a skills inventory of the institution's students and graduates.

□ Establish a clear contact person at each appropriate local educational institution to coordinate the need for information and to handle inquiries as related to workforce and work place development.

□ Conduct a workforce skills assessment of local businesses and industries to determine their needs for expanded education and training.

□ Set up focus groups between business/industry and education to explore ways of improving the delivery system.

□ The appropriate local education institutions will expand their enrollment of appropriate programs to meet workplace needs. These programs may include information technology, engineering, education, nursing and health sciences, software development, environmental technology, cultural arts, filmmaking, tourism, and professional services, all of which have been identified as target industries for Asheville.

❑ The Workforce-Education Team will investigate master plans at area institutions to determine how future workplace needs are being addressed.

❑ The local higher education institutions will collaborate so that their collective resources can be reorganized and re-packaged to respond, in a timely manner, to the training needs of the workplace.

❑ A "think tank" of active and retired CEOs should be developed to explore ways to improve education and training to meet workplace needs.

❑ State and local elected officials should be informed and lobbied so that the issues and needs of WNC higher education institutions will be addressed by the General Assembly in a timely and fair appropriations process.

❑ Aggressively advocate for the institutions to speed up the process ("fast track") for new degrees that respond to workplace needs.

❑ Establish a formal collaborative partnership or consortium of all area institutions to address the problems identified

above, to serve as a clearinghouse and point of contact for information and activities, and to implement the proposed strategic plan. The Consortium would be organized around a physical space and staff for coordination of activity development and implementation.

Goal 5:   The *local workforce* will have the basic education, life skills, and technical skills to meet the demands of Asheville's workplace in the future.

> ❑ A collaboration of local support agencies will be developed to further identify and address workforce problems, recognizing that many of these problems stem from societal dysfunctions.

> ❑ Community projects will be developed that will enhance the educational process, particularly as it relates to the workplace (e.g., Schools 2000, Communities in Schools).

> ❑ Develop a career pathway approach to accomplish a smooth transition from public schools to post-secondary education.

- The manufacturing certification program should be implemented.

- Workers should be recruited to enroll in appropriate education and training programs being developed locally.

- Under the leadership of the Asheville Area Chamber of Commerce, the City's Economic Development Division should provide appropriate marketing assistance to attract higher paying businesses and industries to the community that will make use of the skilled workers.

Riverfront Team

Goal 6: Asheville's "total" *riverfront* (inclusive of the French Broad and Swannanoa rivers) will be redeveloped to maximize both its full potential as a quality of life amenity as well as for commercial opportunities.

- Upgrade existing roadways to parkway or boulevard status with one name throughout the entire riverfront corridor.

- Place attractive and unified signage throughout the corridor that will improve movement into and within the corridor.

- Improve drainage within the riverfront corridor.

- Design and construct greenways and recreation areas as appropriate within the riverfront area.

- The City should designate a Greenway Coordinator for obtaining rights-of-way, easements, etc. and developing solutions for property owners as related to the greenways.

- Design and construct parking and public access as appropriate within the riverfront area.

- Zone appropriate portions of the riverfront for high density and mixed use.

- Coordinate the planning of the riverfront with that of adjoining small area plans.

□ Work toward the successful engagement of the Corps of Engineers for a study of the dredging needs of the rivers and for the implementing of that study.

□ Plan each of the six identified "sections" (see full plan) of the riverfront for appropriate uses as identified by the Riverfront Team, coordinating these plans with the master plan now being begun for the I-240 to Amboy Road portion of the riverfront.

□ Work closely with projects involving other agencies, such as NCDOT, Norfolk Southern, and the Corps of Engineers, so that the implementation of the riverfront can be undertaken in an efficient manner. Such projects include: upgrading the existing road structure, replacing a railroad trestle, and flood mitigation activities.

Where Do We Go From Here?

The strategic planning process for Asheville is not complete. It has only begun. Strategic planning is like "a race with no finish line." As the various public and private organizations of the City begin to flesh out the strategic actions and attempt to implement them, it will become clear that modifications and adjustments will be necessary. And, because strategic planning is a long-term process, some of the objectives and strategic actions will take a number of years to complete.

The ultimate success of this planning process will depend on how well the identified organizations manage the implementation of the various strategic actions. The plan by itself is worthless. Its value lies in the directions it provides to local agencies and organizations, and the reminders it gives as to the priorities for accomplishing and sustaining future economic health in Asheville.

Although economic development activity is often closely associated with aggressive marketing for "prospect development," in today's and tomorrow's New Economy the emphasis needs to be on "product development." Clearly, economic development is about more than just trying to attract jobs into the community. However, the lack of industrial sites inside the City precludes the attraction of major manufacturing

operations. On the other hand, the quality of life of Asheville, the presence of the Biltmore Park Corporate Technology Center, the presence of two and four year colleges/universities, and the excellent telecommunications infrastructure (with the possible exception of cellular service in certain areas) provide the City with the opportunity to pursue knowledge-based businesses. These tend to require smaller spaces, employ college-educated personnel, and pay relatively high wages, all of which make them a good fit with the community.

The successful attraction of jobs in these industries is less about marketing and more about creating the proper environment within which these industries can flourish. Therefore, the role of the economic development efforts has to be focused on facilitating the development of a community that is attractive to "high tech" and information-based industries. This requires working closely with other agencies such as the City's Planning & Building Safety Departments, local educational institutions, the Asheville Area Chamber of Commerce, Advantage West, and the business community to create the programs and activities as well as the infrastructure to stimulate job development in knowledge-based industries.

As examples, communities such as Austin TX (stimulated by Sematech), Raleigh-Durham NC (stimulated by the Research Triangle Park), Fairfax County VA, Boulder CO, Pittsburgh PA, Rochester MN, Rochester NY,

and Tucson AZ (stimulated by the University of Arizona) have become important high-tech and information-based economic centers. However, the success of these communities required major infusions of funds from and the cooperation of federal, state, and local government, as well as considerable investment by higher education institutions and the business community.

To that end, it is *critical* to the community's economic future to focus efforts on such major projects as the creation of a "Knowledge Center" that can foster the development of technology-oriented firms, a multimedia center/sound stage that can stimulate film and video activity, and regional industrial/business parks. These major projects, together with the numerous strategic actions developed by each Team, should serve as foundations to bring about a sustained and healthy local economy that reflects the goals of the leadership for the City of Asheville.

The communities that are moving successfully into the knowledge-based economy are without exception also known for their high quality of life and their commitment to improving and sustaining that environment. That is why it is very important that Asheville moves vigorously to improve its living environment. This includes transforming its riverfront area into a greater recreational and commercial asset, planning for a housing environment that meets current and future needs, and creating a more efficient and environmentally sound physical infrastructure.

Ultimately, the Planning & Building Safety Departments have the responsibility of facilitating the sound development of the physical city, the education community has the responsibility of preparing the workforce of the future and meeting the training needs of the workplace, and the Economic Development Division has the responsibility of facilitating the numerous activities that will lead to business investment and job creation. However, given the importance of Asheville's urban planning and the enhancement of local education to the economic development process, the City's Economic Development Division should play a facilitative and catalytic role in all of these efforts.

An Implementation Task Force that is citizen-led should be appointed by the City Council to ensure that the strategic planning process continues. This important group can serve as the conscience and coordinator of the implementation activity. It has been the experience of LGC that the successful plans are those that have had a public and private sector group monitoring and evaluating progress, and that have periodically reviewed and modified the plan to meet changing circumstances or to more effectively address local issues.

Clearly, the creation of new facilities and infrastructure in order to attract knowledge-based industries will not be accomplished without an infusion of significant additional funds. The City will need to take the lead in allocating new funds for such new facilities as a Knowledge Center and a multi-

media/sound stage. The transformation of the riverfronts to recreational as well as commercial uses will require major funding for planning, construction, and redevelopment, as well as possible property acquisition where appropriate. These funds must be recurring and sustainable, as these efforts will require a multi-year timeframe.

The City of Asheville's leadership has taken the first steps toward proactively responding to the changes confronting the community. The next steps have been defined, and so the journey begins.